



*Office of the Auditor General / Bureau du vérificateur général*

**FOLLOW-UP TO THE 2008 AUDIT OF ASSESSMENT AND**

**MONITORING OF ELIGIBILITY**

**FOR SOCIAL HOUSING SUBSIDIES**

**2010**

**SUIVI DE LA VÉRIFICATION DE L'EXAMEN ET DU SUIVI DES**

**ÉVALUATIONS D'ADMISSIBILITÉ AUX**

**SUBVENTIONS POUR LOGEMENTS SOCIAUX DE 2008**



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## EXECUTIVE SUMMARY

### *Introduction*

The Follow-up to the 2008 Audit of Assessment and Monitoring of Eligibility for Social Housing Subsidies was included in the Auditor General's Audit Plan.

The key findings of the original 2008 audit included:

- Management controls and oversight functions need to be strengthened.
- There is a perception among some citizens that there is abuse in this area, and that the lack of consistency in many areas creates the real risk that these concerns are more than just perception.
- Procedures need to be formalized to guide the staff in carrying out their duties.
- Service Agreements between the City and housing providers need to be properly executed and retained on file.
- The annual reconciliation process between the City and housing providers is often significantly delayed.
- The current approach to the Centralized Waiting List for subsidies does not accurately reflect the true need in the community.

### *Summary of the Level of Completion*

1. The table below outlines our assessment of the level of completion of each recommendation as of December 2010.

CATEGORY	% COMPLETE	RECOMMENDATIONS	NUMBER OF RECOMMENDATIONS	PERCENTAGE OF TOTAL RECOMMENDATIONS
LITTLE OR NO ACTION	0 – 24	-	-	-
ACTION INITIATED	25 – 49	-	-	-
PARTIALLY COMPLETE	50 – 74	3, 5	2	12%
SUBSTANTIALLY COMPLETE	75 – 99	1, 4, 6, 7, 9, 14, 15, 17	8	47%
COMPLETE	100	2, 8, 10, 11, 12, 13, 16	7	41%
TOTAL			17	100%

2. The table below outlines management’s assessment of the level of completion of each recommendation as of Winter 2011 in response to the OAG’s assessment. These assessments have not been audited.

CATEGORY	% COMPLETE	RECOMMENDATIONS	NUMBER OF RECOMMENDATIONS	PERCENTAGE OF TOTAL RECOMMENDATIONS
LITTLE OR NO ACTION	0 – 24	-	-	-
ACTION INITIATED	25 – 49	-	-	-
PARTIALLY COMPLETE	50 – 74	3, 5	2	12%
SUBSTANTIALLY COMPLETE	75 – 99	4, 6, 7, 9, 14, 15, 17	7	41%
COMPLETE	100	1, 2, 8, 10, 11, 12, 13, 16	8	47%
TOTAL			17	100%

### Conclusion

Overall, management has made substantial efforts to complete the recommendations from the 2008 Audit of Assessment and Monitoring of Eligibility for Social Housing. One of the most prevalent management responses to the recommendations is the creation of the Policy and Procedures Manual and, since it is almost complete at the time of this follow-up audit, many of the recommendations were found to be substantially complete. However, it is important to note that the Manual is still in draft form and has not yet been approved or implemented. Management plans to make the Policy and Procedures Manual official by December 31, 2010.

Management has not taken action on Recommendations 11 and 12 due to the fact that they are not in agreement with the recommendations as follows:

- Recommendation 11 refers to management seeking Council direction on the desire to petition the Ministry of Municipal Affairs and Housing to allow the City to require confirmation that anyone claiming abuse has commenced legal proceedings. Management is not in agreement due to the fact that the Social Housing Reform Act (SHRA) disallows this practice.
- Recommendation 12 refers to the Registry reducing the types of documents that establish that a household meets the residency eligibility requirements. Management and the Registry feel that other forms of documentation may be acceptable (such as Ontario Works (OW) slips or Ontario Disability Support (ODSP) slips) due to the fact that OW and ODSP have rigorous standards which must be satisfied confirming residency status before funds are issued. While this may be the case, management would need to be in a position to have evidence that the OW and ODSP processes for verifying residency are in place and operating effectively to make this assumption.

Management's position is that Council was informed of these recommendations, as well as their response to them and no request was made by Council to take any action. Therefore, they do not intend to take further action with respect to these two recommendations. As such, no further resolution is required.

### ***Acknowledgement***

We wish to express our appreciation for the cooperation and assistance afforded the audit team by management.





## RÉSUMÉ

### *Introduction*

Le Suivi de la vérification de l'examen et du suivi des évaluations d'admissibilité aux subventions pour logements sociaux de 2008 était prévu dans le Plan de vérification du vérificateur général.

Les constatations principales de la vérification initiale de 2008 sont les suivantes :

- Le rapport recommande le renforcement des mesures de contrôle et des fonctions de surveillance de la direction.
- Il y a une perception chez quelques citoyens qu'il y a de l'abus dans ce domaine et le manque d'uniformité dans de nombreux secteurs crée un risque réel que ces préoccupations dépassent les simples perceptions.
- Les procédures doivent être officialisées afin d'orienter le personnel dans l'exercice de ses fonctions.
- Des accords de service entre la Ville et les fournisseurs de logements doivent être conclus correctement et versés au dossier.
- Le processus de conciliation annuel entre la Ville et les fournisseurs de logements fait souvent l'objet de longs retards.
- Le recours actuel à une liste d'attente centralisée pour les subventions ne correspond pas exactement aux véritables besoins au sein de la collectivité.

### *Sommaire du degré d'achèvement*

1. Le tableau ci-dessous présente notre évaluation du degré d'achèvement de chaque recommandation au mois de décembre 2010 :

CATÉGORIE	POURCENTAGE COMPLÉTÉ	RECOMMANDATIONS	NOMBRE DE RECOMMANDATIONS	POURCENTAGE DU TOTAL DES RECOMMANDATIONS
PEU OU PAS DE MESURES PRISES	0 - 24	-	-	-
ACTION AMORCÉE	25 - 49	-	-	-
COMPLÉTÉE EN PARTIE	50 - 74	3, 5	2	12 %
PRATIQUEMENT COMPLÉTÉE	75 - 99	1, 4, 6, 7, 9, 14, 15, 17	8	47 %
COMPLÉTÉE	100	2, 8, 10, 11, 12, 13, 16	7	41 %
TOTAL			17	100 %

2. Le tableau ci-dessous présente l'évaluation de la direction concernant le degré de réalisation de chaque recommandation à l'hiver 2011 en réponse à l'évaluation du Bureau du vérificateur général. Ces évaluations n'ont pas fait l'objet d'une vérification.

CATÉGORIE	POURCENTAGE COMPLÉTÉ	RECOMMANDATIONS	NOMBRE DE RECOMMANDATIONS	POURCENTAGE DU TOTAL DES RECOMMANDATIONS
PEU OU PAS DE MESURES PRISES	0 – 24	-	-	-
ACTION AMORCÉE	25 – 49	-	-	-
COMPLÉTÉE EN PARTIE	50 – 74	3, 5	2	12 %
PRATIQUEMENT COMPLÉTÉE	75 – 99	4, 6, 7, 9, 14, 15, 17	7	41 %
COMPLÉTÉE	100	1, 2, 8, 10, 11, 12, 13, 16	8	47 %
TOTAL			17	100 %

## Conclusion

Dans l'ensemble, la direction a réalisé des efforts substantiels afin de terminer les recommandations de la vérification de l'examen et du suivi des évaluations d'admissibilité aux subventions pour logements sociaux de 2008. L'une des réponses les plus courantes de la direction consiste en l'élaboration du Manuel des politiques et des procédures et, puisque le Manuel est presque terminé au moment de la vérification, bon nombre des recommandations apparaissent comme en grande partie réalisées. Cependant, il importe de noter que le Manuel est encore à l'état d'ébauche et qu'il n'a pas encore été approuvé ou mis en œuvre. La direction prévoit officialiser le Manuel des politiques et des procédures d'ici le 31 décembre 2010.

La direction n'a pris aucune mesure relative aux recommandations 11 et 12 en raison du fait qu'elle n'est pas d'accord avec celles-ci tel indiqué ci-dessous :

- La Recommandation 11 fait référence à la demande par la direction du concours du Conseil dans sa requête auprès du ministère des Affaires municipales et du logement en vue de lui permettre (à la Ville) de demander confirmation que des poursuites judiciaires ont été intentées à la suite d'une plainte pour abus. La direction n'est pas d'accord en raison du fait que la *Loi de 2000 sur la réforme du logement social* rejette cette pratique.
- La Recommandation 12 fait référence au Registre qui limite les types de documents qui établissent qu'un ménage satisfait aux exigences en matière de statut de résidence. La direction et le registre sont d'avis que d'autres formes de documents sont acceptables (comme les feuillets d'Ontario au travail (OT) ou du Programme ontarien de soutien aux personnes handicapées (POSPH)) puisqu'OT et le POSPH disposent de normes rigoureuses qui doivent être satisfaites en vue de confirmer le statut de résidence avant que les fonds ne soient versés. Même si c'est le cas, la direction devrait être en mesure d'obtenir

la preuve que les processus d'OT et du POSPH aux fins de vérification de la résidence sont en place et fonctionnent de manière efficace pour formuler ce principe.

La position de la direction est que le Conseil a été informé de ces recommandations ainsi que des réponses qui ont été adressées et que le Conseil n'a pas demandé que des mesures soient prises. Par conséquent, ils n'ont pas l'intention de prendre d'autres mesures en ce qui a trait à ces deux recommandations. Donc, aucune résolution n'est exigée.

### ***Remerciements***

Nous tenons à remercier la direction pour la coopération et l'assistance accordées à l'équipe de vérification.



## 1 INTRODUCTION

The Follow-up to the 2008 Audit of Assessment and Monitoring of Eligibility for Social Housing Subsidies was included in the Auditor General's Audit Plan.

The key findings of the original 2008 audit included:

- Management controls and oversight functions need to be strengthened;
- There is a perception among some citizens that there is abuse in this area, and that the lack of consistency in many areas creates the real risk that these concerns are more than just perception;
- Procedures need to be formalized to guide the staff in carrying out their duties;
- Service Agreements between the City and housing providers need to be properly executed and retained on file;
- The annual reconciliation process between the City and housing providers is often significantly delayed; and,
- The current approach to the Centralized Waiting List for subsidies does not accurately reflect the true need in the community.

## 2 KEY FINDINGS OF THE ORIGINAL 2008 AUDIT ASSESSMENT AND MONITORING OF ELIGIBILITY FOR SOCIAL HOUSING SUBSIDIES

### **Assessing and Monitoring Eligibility - The City of Ottawa (the City)**

Overall, the City needs to improve its management controls and practices with respect to the Rent Geared to Income (RGI) Administration processes and oversight function as Service Manager in the following areas:

- RGI oversight functions need to be formalized by drafting procedures to guide the staff in carrying out their duties, including those to be performed during Housing Provider (HP) site visits such as testing the RGI subsidy calculations.
- Not all HP Service Agreements between the HPs and the City are signed by both parties and there is not always a signed copy maintained on file.
- The Annual Information Returns (AIR) reconciliation process is often subject to significant delays. A thorough analysis of the major causes for this is required along with a plan of action for remedying the situation. This could result in the redistribution of responsibilities related to this task.
- The follow up process related to HP Site Visit Report recommendations is not always completed on a timely basis. A record of any form of communication with the HPs is not maintained in the HP file for future reference and follow up.

- A risk profile to identify HPs that should be given priority during the site visit cycle would make the process more effective and efficient.
- Periodic site visits to the Social Housing Registry (Registry) are required to test the Registry's compliance with the Social Housing Reform Act (SHRA) and with the Registry's Agreement with the City.

### **Assessing and Monitoring Eligibility - The Social Housing Registry of Ottawa (Registry)**

With regard to the Registry:

- Consideration should be given to expanding the role of the Registry beyond the current assessment of residency status to include an initial needs assessment based on the applicant's current income status. This would ensure a more consistent approach to needs assessment, allow for more efficient oversight by the City of this process and increase the accuracy of the Central Waiting List (CWL).
- A reduction in the types of documentation accepted to assess applicants' residency status would increase efficiency and reliability.
- Documentation of the rent arrears verification process can be improved.

### **Assessing and Monitoring Eligibility - Ottawa Community Housing Corp. (OCHC) and Other Housing Providers**

With respect to Ottawa Community Housing and other HPs we noted a lack of standard policies and procedures related to RGI administration. However, it must be noted that the OCHC is in the process of preparing a policy and procedures manual that will include RGI administration. The City should be involved in this process to assist and ensure that all HPs are managing the RGI processes and controls in a consistent and equitable manner.

### **Assessing and Monitoring Eligibility - Rent Supplement Office (RSO) of the City**

With respect to the RSO, we noted that the Office is duplicating the efforts of the Registry in the area of residency verification, which could be eliminated.

### **Role and Mandate of the Housing Branch**

As explained above, although the audit of the role and mandate of the Housing Branch was halted due to a re-organization of this function during the audit, detailed observations and suggested actions were provided to management on a number of issues based on the work completed, including:

- Balancing the Service Manager's dual role as regulator and facilitator
- Actively monitoring the effectiveness of the central waiting list function
- Ensuring reliable and accessible records and information

- Considering new affordable housing options and strategies and
- Ongoing development of the Housing Strategy and communications with Council Members

### **3 STATUS OF IMPLEMENTATION OF 2008 AUDIT RECOMMENDATIONS**

#### **2008 Recommendation 1**

That the City develop formal procedures for all RGI administration oversight functions including procedures to be performed during Housing Provider site visits such as testing the RGI subsidy calculations.

#### **2008 Management Response**

Management agrees with this recommendation.

Although informal procedures have been in place for a number of years, staff are in the process of planning and developing a detailed procedure manual. The procedure manual will capture and formalize in writing, the procedures for all RGI administration oversight functions including procedures to be performed during Housing Provider site visits. This process will be completed in Q1 2011.

#### **Management Representation of the Status of Implementation of Recommendation 1 as of September 30, 2010**

The draft policy and procedure manual will be completed by October 31, 2010. Review and revisions will begin in November. The completed RGI policy and procedure manual will be finalized in Q1 2011 and distributed to the Registry, Housing Services Branch staff and Housing Providers.

*Management: % complete* *90%*

#### **OAG's Follow-up Audit Findings regarding Recommendation 1**

There is a draft Policy and Procedure (P&P) Manual that contains four major sections:

SECTION A – Social Housing and Shelter Management Branch Processes

SECTION B – Service Manager Functions Delegated to the Social Housing Registry of Ottawa

SECTION C – Service Manager Functions Delegated to Housing Providers

SECTION D – Service Manager Functions Performed by the Rent Supplement Office of the City of Ottawa

It is a comprehensive manual that covers all aspects of the required duties by the City. The expected details in the P&P Manual, based on the follow-up review, are

further discussed in the subsequent sections in this report in context to the specific recommendations made during the original audit. This Manual that was completed by an outside consultant is currently at the City for review and approval. Preliminary comments for the Manual were received by the consultant on December 9, 2010.

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*OAG: % complete* *90%*

### **Management Representation of Status of Implementation of Recommendation 1 as of Winter 2011**

Management agrees with the OAG's follow-up audit finding, however, further progress has been made.

The Policy and Procedures Manual was finalized with the consultant on January 6, 2011, thus the formal procedures have been developed.

Management considers implementation of this recommendation to be complete.

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*Management: % complete* *100%*

### **2008 Recommendation 2**

**That the City ensure all HP Service Agreements between the HPs and the City are formalized (i.e., signed by both parties) and that a signed copy is maintained on file.**

### **2008 Management Response**

Management agrees with this recommendation.

A review of all HP Service Provider Agreements has been completed. The review clarified that a total of four agreements were either missing or not properly executed. Appropriate action is underway to rectify the situation and will be completed in Q1 2010.

### **Management Representation of the Status of Implementation of Recommendation 2 as of September 30, 2010**

All four missing or not properly executed agreements have now been fully executed and are retained in the City's corporate files.

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*Management: % complete* *100%*

### **OAG's Follow-up Audit Findings regarding Recommendation 2**

The unsigned agreements are now signed. In addition, a sample of new agreements was tested and all had signatures by both parties.

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*OAG: % complete* *100%*



**2008 Recommendation 3**

That the City review and analyze the major cause(s) of the delays in the AIR reconciliation process and establish a plan of action for eliminating these delays.

**2008 Management Response**

Management agrees with this recommendation.

A review has been completed and action is now underway to create a second Financial Co-ordinator position by eliminating an existing position. The job description for the Financial Co-ordinator has been updated to appropriately reflect the responsibilities regarding RGI administration, reconciliation and duties related to the SHRA. Staffing will be completed in Q2 2010.

**Management Representation of the Status of Implementation of Recommendation 3 as of September 30, 2010**

The Financial Co-ordinator job description required further revision. Staffing will now be completed by the end of Q1 2011.

*Management: % complete* *50%*

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**OAG's Follow-up Audit Findings regarding Recommendation 3**

The hiring process has commenced. There is a pool of candidates the City is using to staff this position. However, the City has recently imposed a hiring freeze that will affect the progress in this regard. The AIR process is occurring quicker now. The AIR reconciliations are being prepared, on average, five months after the receipt of the information from the housing providers. This compares to approximately 9 to 12 months at the time of the original audit. One of the challenges for the City is obtaining the financial statements and AIR information from some of the housing providers by the required timeframe (five months after their fiscal year end). However, the City maintains a good tracking system and performs follow up procedures when housing providers have failed to meet the deadline. It is also important to note that the AIR reconciliation for the largest housing provider (Ottawa Community Housing) was completed at the time of the audit.

*OAG: % complete* *50%*

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**Management Representation of Status of Implementation of Recommendation 3 as of Winter 2011**

Management agrees with the OAG's follow-up audit finding.

Implementation of the recommendation will continue after the lifting of the current hiring freeze.

*Management: % complete* *50%*

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**2008 Recommendation 4**

That the City implement a process for periodic validation of the HP self-assessment of compliance.

**2008 Management Response**

Management agrees with this recommendation.

It is current practice for the Program Administrator to review and confirm accuracy of the HP self-assessment during a site visit with a housing provider. This review also includes a governance practices review, a property management review, a tenant file review and a review of RGI calculations. This process, which includes a tracking system, will be formalized through the development of the policy and procedure manual referenced in management's response to Recommendation 1. The procedure manual will be completed in Q1 2011.

**Management Representation of the Status of Implementation of Recommendation 4 as of September 30, 2010**

The practice of periodic validation of the HP self assessment has been in place since 2009. The policy and procedure manual, to be finalized by Q1 2011, will contain this procedure.

*Management: % complete* **90%**

**OAG's Follow-up Audit Findings regarding Recommendation 4**

The City currently has procedures for checking the self assessment of compliance by the housing providers. The Draft P&P Manual includes a section that will make this process more robust. Section 3 c) of the Draft P&P Manual includes a verification of the self-assessment by re-performing a sample of RGI calculations. In addition, according to the Draft P&P Manual, the Program Administrator shall perform tests on all areas of the completed Compliance Checklist, not only on those areas that are identified as being non-compliant by the housing provider. The procedures cover the selection, planning, execution, reporting and follow up phases of the process. However, it should be noted that the P&P Manual has not been formally approved, thus the new procedures have not yet been implemented. The impact from any changes as detailed in the Draft P&P Manual will therefore only occur in the future. The City is aiming to implement the procedures in the P&P Manual by the end of Q1 in 2011.

*OAG: % complete* **90%**

**Management Representation of Status of Implementation of Recommendation 4 as of Winter 2011**

Management agrees with the OAG's follow-up audit finding.

The Policy and Procedures Manual will be issued to affected stakeholders (housing providers and the Registry) as a Service Manager Directive by the end of Q1 2011.

*Management: % complete*

*90%*

### **2008 Recommendation 5**

**That the City ensure follow up of the Site Visit Report recommendations is completed on a timely basis and that a record of any form of communication with the HPs be maintained in the HP file for future reference and follow up.**

### **2008 Management Response**

Management agrees with this recommendation.

Staff will incorporate standardized procedures in the policy and procedure manual for RGI administration (refer to management's response to Recommendation 1) to ensure timely reporting to and from the Housing Provider regarding Site Visit Reports. A tracking system has been implemented to ensure reporting timelines are met with appropriate notification and follow-up according to a prescribed schedule. The procedure manual will be completed in Q1 2011.

### **Management Representation of the Status of Implementation of Recommendation 5 as of September 30, 2010**

Follow-up of the Site Visit Report recommendations and the recording of communications with HPs has been in place since 2009. The policy and procedure manual, to be finalized by Q1 2011, will contain this procedure.

*Management: % complete*

*90%*

### **OAG's Follow-up Audit Findings regarding Recommendation 5**

Section 3 e) of the Draft P&P Manual relates to procedures concerning the follow up of the site visit reports including that a Site Visit Status Worksheet be maintained by the Program Support Clerk, with status information about each housing provider's site visits. If due dates are not met, there is a mechanism to inform the Program Administrator for follow up. Based on a review of site visit files and of the spreadsheet that tracks the follow up concerning the site visit reports, there can be more effort in this area. There were several cases where site visits occurred but no report completed yet (7 to 13 months after the visit). We also found that overdue responses were not always followed up on a timely basis.

*OAG: % complete*

*50%*

### **Management Representation of Status of Implementation of Recommendation 5 as of Winter 2011**

Management agrees with the OAG's follow-up audit finding.

The Policy and Procedures Manual will be issued to affected stakeholders (housing providers and the Registry) as a Service Manager Directive by the end of Q1 2011.

The manual sets out a requirement for completion of the site visit report within 60 days and the report tracking document will be used to monitor compliance with the 60 day response time on a go forward basis.

*Management: % complete* 50%

### **2008 Recommendation 6**

**That the City develop a risk profile to identify the sample of HPs that should be given priority for site visits.**

### **2008 Management Response**

Management agrees with this recommendation.

A risk assessment tool will be incorporated into the procedure manual referenced in management's response to Recommendation 1. The risk assessment tool will take into consideration information received through the Annual Information Review (AIR) process and site visits. It will include an evaluation on how the Housing Provider meets the housing standards outlined in the Social Housing Standards document which was developed by housing providers and the City in 2008. The procedure manual will be completed in Q1 2011.

### **Management Representation of the Status of Implementation of Recommendation 6 as of September 30, 2010**

An informal risk assessment protocol has been in practice for many years. This protocol will be formalized in the policy and procedure manual that will contain a tool to identify risk factors to assist staff with prioritizing HP needs. The policy and procedure manual will be completed by the end of Q1 2011.

*Management: % complete* 90%

### **OAG's Follow-up Audit Findings regarding Recommendation 6**

Section 11 to the Draft P&P Policy Manual is related to risk management of the housing programs. In addition, in the site visits section of the manual, there is a process whereby the City would perform a risk assessment of housing providers in order to determine the selection process for site visits. However, as the P&P Manual is not yet approved, this process has not yet been implemented.

*OAG: % complete* 90%

### **Management Representation of Status of Implementation of Recommendation 6 as of Winter 2011**

Management agrees with the OAG's follow-up audit finding.

The Policy and Procedures Manual will be issued to affected stakeholders (housing providers and the Registry) as a Service Manager Directive by the end of Q1 2011.

*Management: % complete*

*90%*

### **2008 Recommendation 7**

**That the City perform periodic site visits to the Registry to test the Registry's compliance with the SHRA and with the Registry's Agreement with the City.**

### **2008 Management Response**

Management agrees with this recommendation.

A formal site visit and operational review will be conducted in the winter of 2010. Site visits are scheduled to occur every three years or more often if the Service Manager deems it necessary. The formal site visit and operational review will be completed in Q2 2010.

### **Management Representation of the Status of Implementation of Recommendation 7 as of September 30, 2010**

Site visit review over 2.5 days was conducted by the Senior Program Administrator in April 2010. This requirement was reviewed and policy/procedures were incorporated immediately by the Registry. A follow-up written report outlining the recommendations and the action taken will be completed by the end of Q1 2011.

*Management: % complete*

*75%*

### **OAG's Follow-up Audit Findings regarding Recommendation 7**

The City performed a site visit of the Registry on April 27 and 28, 2010, and again on June 7, 2010 to complete the review. During the site visit, the City staff reviewed a variety of files from different categories (urgent medical, special priority, urgent safety, homeless, cancelled files, inactive files, etc.) to ensure that proper processes were being followed and that the documentation was appropriate. Each file review is well documented. The site visit also included a review of the Registry's administrative processes, including filing systems, information systems, governance, policies and procedures, bylaws, job descriptions, forms, etc. While no official Site Visit Report has been provided to the Registry (scheduled for Q1 2011), the findings were discussed with the Registry during the site visit and some recommendations were implemented immediately by the Registry (for example arrears checking). Based on discussions with City staff, the results of the Registry site visit were that the overall processes were good. There were only a couple of areas of improvement related to filing/documentation and form completion/signatures required. The overall results of the site visit will be documented in the file when the Site Visit Report is completed.

*OAG: % complete*

*75%*

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**Management Representation of Status of Implementation of Recommendation 7 as of Winter 2011**

Management agrees with the OAG's follow-up audit finding.

The formal site visit and operational review will be completed by the end of Q2 2011.

*Management: % complete* *75%*

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**2008 Recommendation 8**

That Council petition the Ministries of Community and Social Services and Municipal Affairs and Housing to develop legislation that allows greater sharing of social assistance information across municipal programs.

**2008 Management Response**

Management agrees with this recommendation.

The item will be brought forward to Council in Q2 2010.

**Management Representation of the Status of Implementation of Recommendation 8 as of September 30, 2010**

In Q2 and Q3 2010, staff participated in a number of multi-stakeholder provincial committees/workgroups lead by the Ministry of Municipal Affairs and Housing (MMAH). The focus of these workgroups was to develop and recommend necessary regulation changes. These recommendations included greater sharing of appropriate information between various ministries, including the Ministry of Community and Social Services. At its meeting of December 9, 2009 Council approved a report (ACS2009-COS-CAS-0019) to be sent to the Minister of Municipal Affairs and Housing as the City's submission to Ontario's Consultation to create a Long-Term Affordable Housing Strategy.

That report included a recommendation to "Actively resource, support and promote information sharing practices among service providers - e.g., among social assistance, housing, childcare programs."

The report was sent to MMAH by the City Clerk's office.

*Management: % complete* *100%*

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**OAG's Follow-up Audit Findings regarding Recommendation 8**

As a result of the audit as well as the Provincial-Municipal Fiscal Services Delivery Review, the City's Housing management team has been actively pursuing initiatives through a variety of focus groups and workgroups and is involved in various committees such as the Human Services Implementation Steering Committee and the Housing and Homeless Consolidation Working Group, where this topic is ranked high as a priority. In addition, there is a Ministries Lead Group

comprised of the Health, Communities and Social Services and Housing Ministries, where the City has good working relations. All of these initiatives are apparent by the fact that the request to “actively resource, support and promote information sharing practices among service providers” is included in the report approved by Council on December 9, 2009 (ACS2009-COS-CAS-0019). Furthermore, the new Long-Term Affordable Housing Strategy that was launched on November 29, 2010 requires that the Housing group have a plan to implement these recommendations.

*OAG: % complete*

*100%*

### **2008 Recommendation 9**

**That the City ensure the job descriptions of the positions involved in the RGI administration process are current and specifically include responsibilities related to RGI administration and other duties related to the SHRA.**

### **2008 Management Response**

Management agrees with this recommendation.

A majority of the job descriptions involved in the RGI administration process have been updated (Program Administrator, Technical Assessor, Financial Coordinator, Rent Supplement Clerk, Housing Officer). The remaining job descriptions will be updated by the end of Q3 2010.

### **Management Representation of the Status of Implementation of Recommendation 9 as of September 30, 2010**

Staff is currently working within the protocols of the corporate job evaluation committee to review and finalize remaining job descriptions. This will be completed by the end of Q1 2011.

*Management: % complete*

*75%*

### **OAG’s Follow-up Audit Findings regarding Recommendation 9**

The City has updated the job descriptions for the Financial Coordinator, the Program Administrator, the Technical Assessor, the Rent Supplement Clerk, and the Housing Officer. These are some of the main positions involved in RGI administration and the revised job descriptions reflect their current responsibilities.

*OAG: % complete*

*75%*

### **Management Representation of Status of Implementation of Recommendation 9 as of Winter 2011**

Management agrees with the OAG’s follow-up audit finding.

The job descriptions for the remaining positions involving RGI administration will be updated by the end of Q1 2011.

*Management: % complete*

*75%*

**2008 Recommendation 10**

That the City pursue an expansion of the role of the Registry to include an initial needs assessment.

**2008 Management Response**

Management agrees with this recommendation.

Completing an initial household income verification at the time of application would assist in determining if households are eligible for the “below market rent” (BMR) income threshold. If eligible, they can be placed on the BMR waiting list in addition to the social housing Centralized Waiting List which, will improve options for housing. This, however, will not replace the requirement that household income verification be completed by the housing provider at time of offer. The rent subsidy is based on a unit specific calculation of household income in relation to the market rent for the specific unit offered and income. Those contributing to the income in a household may, and often do, change between the time of the initial application and the time of offer which may be several years later.

The income verification process and procedure will be completed by Q2 2010 and will be included in the procedure manual referenced in management’s response to Recommendation 1. In addition, a directive will be issued to the Registry regarding this issue.

**Management Representation of the Status of Implementation of Recommendation 10 as of September 30, 2010**

This requirement was communicated to the Registry and the CWL application package has been updated to reflect this change making this a mandatory field. Applications are now considered incomplete if this field is not completed and verified. It was confirmed by the Senior Program Administrator at the site visit in April 2010 that it was fully implemented.

*Management: % complete* 100%

**OAG’s Follow-up Audit Findings regarding Recommendation 10**

The Registry’s application and update form now contains a requirement that the applicants provide income information. This process is now occurring.

*OAG: % complete* 100%

**2008 Recommendation 11**

That the City seek Council direction on the desire to petition the Ministry of Municipal Affairs and Housing to allow the City to require confirmation that anyone claiming abuse has commenced legal proceedings.



## **2008 Management Response**

Management disagrees with this recommendation.

Individuals fleeing abuse may lack financial or other resources required to commence legal proceedings, or they may not be ready or willing to do so. Although confirmation that legal proceedings have commenced would be helpful in documenting an individual's situation, a letter signed by a doctor, social worker, or other acceptable representative, as is the current requirement, is a more appropriate indicator of need.

### **Management Representation of the Status of Implementation of Recommendation 11 as of September 30, 2010**

Of note, the Social Housing Reform Act (SHRA), O.Reg.298/01 sections 5 (11), 24 (10) & (11), clearly and specifically prohibit the City from requesting or requiring an individual fleeing abuse to commence legal proceedings.

*Management: % complete*

*100%*

### **OAG's Follow-up Audit Findings regarding Recommendation 11**

Management does not agree with this recommendation due to the fact that the SHRA does not allow the Service Manager to request proof that legal proceeding have commenced. Specifically, the SHRA, O. Reg. 298/01, s. 24 (10) and (11) state that:

(10) If the member making the request believes that he or she will be at risk of being abused by the abusing individual if he or she attempts to obtain information or a document, the service manager, supportive housing provider or lead agency shall not require the member to provide that information or document; and

(11) The service manager, supportive housing provider or lead agency shall not require information as to whether the member making the request or the abused member has commenced legal proceedings against the abusing individual and shall not require information or documents relating to such proceedings.

Management also indicated that their response was tabled at Council and Council approved the report. As such there was no intention by Council to pursue any changes to the SHRA with respect to requiring evidence that legal avenues were used in situations of abuse. Management is of the opinion that they have fulfilled the requirements of this recommendation. As such, no further resolution is required.

*OAG: % complete*

*100%*

**2008 Recommendation 12**

That the Registry reduce the types of documents that establish that a household meets the residency eligibility requirements by only allowing for example the following types of proof:

- Canadian passport
- Birth Certificate issued by a Canadian Province or Territory
- Landed Immigrant Status paper
- Residency card issued by the Canadian Government

**2008 Management Response**

Management disagrees with this recommendation.

Management agrees that the list of acceptable documentation should be limited but also believes that the Service Manager needs to retain flexibility so as not to deny an eligible household who may be without the aforementioned documents at the time of application. Examples of such circumstances could include: a household fleeing abuse or a family becoming homeless because of a fire in their residence – leaving their documentation behind. It takes time and money to re-establish residency and some temporary discretion should be allowed in situations such as these. In addition, current legislation allows and promotes flexibility in residency eligibility documentation in cases of provincial housing priority (Special Provincial Priority) for households experiencing domestic violence.

Management believes that it is reasonable to substitute alternative documents such as Ontario Works (OW) or Ontario Disability Support Program (ODSP) pay stubs as proof of residency status. OW and ODSP have rigorous standards which must be satisfied confirming residency status before funds are issued.

**Management Representation of the Status of Implementation of Recommendation 12 as of September 30, 2010**

The Social Housing Reform Act (SHRA), O.Reg.298/01 sections 5 (11), 24 (10) & (11), clearly and specifically prohibit the City from requesting or requiring an individual fleeing abuse to commence legal proceedings.

In addition, the SHRA O.Reg. 298/01 section 5(10) prescribes that if a household or a third party can reasonably demonstrate that it is unable to provide information or a document, the City cannot require the household or third party to provide that information or document.

**Management: % complete** **100%**

**OAG's Follow-up Audit Findings regarding Recommendation 12**

The City has a list of allowable documents beyond those that were listed as suggestions in the audit report. The two notable exceptions are Ontario Works (OW) or Ontario Disability Support Program (ODSP) cheques. Management is of the opinion that the OW and ODSP administration have rigorous processes to ensure that recipients are residents. This may be accurate, but the City would need to be in a position to have evidence that the OW and ODSP processes for verifying residency are in place and operating effectively to make this assumption. Management disagreed with the original recommendation. As such, no further resolution is required.

*OAG: % complete*

*100%*

**2008 Recommendation 13**

That the Registry document that arrears checking has been performed in all cases.

**2008 Management Response**

Management agrees with this recommendation.

A directive has been issued to the Registry to ensure this procedure is followed. Compliance with this requirement will be monitored through site visits and normal exchange of data. Site visits are scheduled to occur every three years or more often if the Service Manager deems it necessary.

**Management Representation of the Status of Implementation of Recommendation 13 as of September 30, 2010**

A site visit in April 2010 confirmed that the Registry is in full compliance with the directive using the revised checklist forms. The formal arrears verification process for both the local and provincial arrears requires staff sign-off confirming that verification against the databases has been done.

*Management: % complete*

*100%*

**OAG's Follow-up Audit Findings regarding Recommendation 13**

The Registry has implemented a checklist for each applicants file. This includes signing off that both arrears databases have been checked.

*OAG: % complete*

*100%*

**2008 Recommendation 14**

That the City work with HPs to develop standardized procedures for Housing Placement, Annual Review Process, Changes to Household Occupancy and Overhoused Households, including:

- Placement decision processes to ensure only Provincial- and City-mandated criteria are used and other criteria (i.e., ethnic, religious, etc.) are not;
- Calculating the RGI subsidy under various circumstances;
- Utilizing T1 Assessments for all household members;
- Requiring a second person to check the RGI calculations for households reporting self-employment income;
- Calculating interest income; and,
- Proof of residency to be obtained for cases where an occupant is added to a household.

**2008 Management Response**

Management agrees with this recommendation and will work with Housing Providers to meet the objectives as outlined in the recommendation. However, requiring a second person to check RGI households for self-reporting income may not be feasible for the smaller providers who rely on only one half-time coordinator to manage the administration of the building. In these cases, there is no other employee to check RGI calculations. By developing clear and consistent guidelines for the calculation of RGI including those households with self-employment income, the risk of error will be minimized. Standardized procedures (refer to management’s response to Recommendation 1) will be completed in Q1 2011.

**Management Representation of the Status of Implementation of Recommendation 14 as of September 30, 2010**

The policy and procedure manual being completed by the end of Q1 2011 will address this issue.

*Management: % complete* 90%

**OAG’s Follow-up Audit Findings regarding Recommendation 14**

Section C in the Draft P&P Manual establishes a formal policy requiring the housing providers to abide by the responsibilities delegated by the Service Manager and as specified in the Housing Provider Service Agreements, by the SHRA and governing regulations, and by the Service Manager Local Policies and Priorities.

*OAG: % complete* 90%

**Management Representation of Status of Implementation of Recommendation 14 as of Winter 2011**

Management agrees with the OAG’s follow-up audit finding.

The Policies and Procedures Manual was finalized with the consultant on January 6, 2011, thus the formal procedures have been developed.

The manual will be issued to affected stakeholders (housing providers and the Registry) as a Service Manager Directive before the end of Q1 2011.

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*Management: % complete*

90%

### **2008 Recommendation 15**

**That Housing Providers ensure all households with overhoused units are placed on the Registry's CWL within one year of becoming overhoused and that these lists are updated on a quarterly basis.**

### **2008 Management Response**

Management agrees with this recommendation.

This requirement will be incorporated into the standardized procedures being developed in response to Recommendation 1. A directive has been sent to all Housing Providers regarding this requirement, and the Service Manager will check for compliance as part of site visits by the end of Q1 2010.

### **Management Representation of the Status of Implementation of Recommendation 15 as of September 30, 2010**

A Service Manager e-bulletin (from the Senior Program Administrator) directing Housing Providers to comply with this recommendation was issued in October 2008. The requirement will be incorporated into the policy and procedure manual to be completed by the end of Q1 2011.

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*Management: % complete*

90%

### **OAG's Follow-up Audit Findings regarding Recommendation 15**

Section B, 5. C) in the Draft P&P Manual includes the requirement that HPs advise the registry of overhoused situations. The Directive was sent to the HP's to remind them of this responsibility.

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*OAG: % complete*

90%

### **Management Representation of Status of Implementation of Recommendation 15 as of Winter 2011**

Management agrees with the OAG's follow-up audit finding.

The Policy and Procedures Manual will be issued to affected stakeholders (housing providers and the Registry) as a Service Manager Directive before the end of Q1 2011.

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*Management: % complete*

90%

### **2008 Recommendation 16**

**That the City establish a clear timeframe for elimination of duplicate RGI calculations by the Rent Supplement Office.**

**2008 Management Response**

Management agrees with this recommendation. Staff is currently testing a revision of the SHAMIS software that will eliminate the need for manual calculations. Commencing Q1 2010, staff will use only the SHAMIS software to complete calculations.

**Management Representation of the Status of Implementation of Recommendation 16 as of September 30, 2010**

Staff now fully relies on the SHAMIS system to generate rent subsidy calculations. A comprehensive summary report is printed and appended to the file.

*Management: % complete* *100%*

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**OAG's Follow-up Audit Findings regarding Recommendation 16**

The duplication of calculations of the RGI subsidy has been eliminated. The reports are maintained on file.

*OAG: % complete* *100%*

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**2008 Recommendation 17**

**That the RSO rely on the residency verification performed by the Registry and discuss the file transfer process with the Registry to ensure that a mutually agreeable timeframe can be established for the transfer of the files.**

**2008 Management Response**

Management agrees with this recommendation. However, management wishes to clarify that if a household has changed composition since the last update to the application file at the Registry, the RSO will still need to verify that anyone added meets the residency verification. The RSO and the Registry will develop a protocol to ensure the timely transfer of files by the end of Q1 2010.

**Management Representation of the Status of Implementation of Recommendation 17 as of September 30, 2010**

A process was verbally agreed to and is in place whereby relevant files are transferred from the Registry to the Rent Supplement Office on a bi-weekly basis. This process will be confirmed in writing by the Senior Program Administrator by the end of Q4 2010.

*Management: % complete* *75%*

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**OAG's Follow-up Audit Findings regarding Recommendation 17**

The file transfer is now being completed on a timely basis. The protocol for file transfer is documented in the Draft P&P Manual. The draft Manual has added wording concerning the protocol.

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*OAG: % complete*

75%

**Management Representation of Status of Implementation of Recommendation 17 as of Winter 2011**

Management agrees with the OAG's follow-up audit finding.

The Policy and Procedures Manual will be issued to affected stakeholders (housing providers and the Registry) as a Service Manager Directive before the end of Q1 2011.

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*Management: % complete*

75%

## 4 SUMMARY OF THE LEVEL OF COMPLETION

1. The table below outlines our assessment of the level of completion of each recommendation as of December 2010.

CATEGORY	% COMPLETE	RECOMMENDATIONS	NUMBER OF RECOMMENDATIONS	PERCENTAGE OF TOTAL RECOMMENDATIONS
LITTLE OR NO ACTION	0 – 24			
ACTION INITIATED	25 – 49			
PARTIALLY COMPLETE	50 – 74	3, 5	2	12%
SUBSTANTIALLY COMPLETE	75 – 99	1, 4, 6, 7, 9, 14, 15, 17	8	47%
COMPLETE	100	2, 8, 10, 11, 12, 13, 16	7	41%
TOTAL			17	100%

2. The table below outlines management's assessment of the level of completion of each recommendation as of Winter 2011 in response to the OAG's assessment. These assessments have not been audited.

CATEGORY	% COMPLETE	RECOMMENDATIONS	NUMBER OF RECOMMENDATIONS	PERCENTAGE OF TOTAL RECOMMENDATIONS
LITTLE OR NO ACTION	0 – 24	-	-	-
ACTION INITIATED	25 – 49	-	-	-
PARTIALLY COMPLETE	50 – 74	3, 5	2	12%
SUBSTANTIALLY COMPLETE	75 – 99	4, 6, 7, 9, 14, 15, 17	7	41%
COMPLETE	100	1, 2, 8, 10, 11, 12, 13, 16	8	47%
TOTAL			17	100%

## 5 CONCLUSION

Overall, Management has made substantial efforts to complete the recommendations from the 2008 Audit of Assessment and Monitoring of Eligibility for Social Housing. One of the most prevalent management responses to the recommendations is the creation of the Policy and Procedures Manual and, since it is almost complete at the time of this follow-up audit, many of the recommendations were found to be substantially complete. However, it is important to note that the Manual is still in draft form and has not yet been approved or implemented. Management plans to make the Policy and Procedures Manual official by December 31, 2010.

Management has not taken action on Recommendations 11 and 12 due to the fact that they are not in agreement with the recommendations as follows:



- Recommendation 11 refers to management seeking Council direction on the desire to petition the Ministry of Municipal Affairs and Housing to allow the City to require confirmation that anyone claiming abuse has commenced legal proceedings. Management is not in agreement due to the fact that the Social Housing Reform Act (SHRA) disallows this practice.
- Recommendation 12 refers to the Registry reducing the types of documents that establish that a household meets the residency eligibility requirements. Management and the Registry feel that other forms of documentation may be acceptable (such as Ontario Works (OW) slips or Ontario Disability Support Program (ODSP) slips) due to the fact that OW and ODSP have rigorous standards which must be satisfied confirming residency status before funds are issued. While this may be the case, management would need to be in a position to have evidence that the OW and ODSP processes for verifying residency are in place and operating effectively to make this assumption.

Management's position is that Council was informed of these recommendations, as well as their response to them and no request was made by Council to take any action. Therefore, they do not intend to take further action with respect to these two recommendations. As such, no further resolution is required.

## **6 ACKNOWLEDGEMENT**

We wish to express our appreciation for the cooperation and assistance afforded the audit team by management.